**YOMEISHU SEIZO CO. LTD. & ANOR.**

**v.**

**SINMA MEDICAL PRODUCTS (S) PTE. LTD.**

HIGH COURT, SINGAPORE
CHAN SEK KEONG J
[SUIT NO. 108 OF 1990]
1 FEBRUARY 1991

***TRADEMARKS:*** *Registered trademark - Whether registration obtained by fraud - Suppression of material information - Descriptive words - Distinctiveness - Secondary meaning - No proprietary right over common words - Fancy word - Invented word - Uniqueness of description - Trade Marks Act (Cap 332) [Sing], ss. 10, 15, 47, 48.*

The plaintiffs are the registered proprietors in Singapore of "Yomeishu" trade mark for Japanese medicated liquors and wines. The plaintiffs claimed that the defendants had infringed their trade mark by selling medicated wine under the name "Chinese Yangmingjiu". Alternatively, they claimed passing off. The plaintiffs also applied for an interim injunction.

The plaintiffs allege that the Japanese wine has been imported into and sold in Singapore since 1970 and advertised since 1973. The defendants imported their product from China since March 1981. The defendants maintained that the Chinese characters which they used for their product meant "life preserving/prolonging wine" and were therefore ordinary descriptive words which could not have become associated exclusively with Japanese wines.

Although initially, in 1981 and 1982, the plaintiffs had threatened to institute legal proceedings against the defendants, nothing was done by them for more than 7 years. It was not until August 1989 that they resumed their "cease and desist" letters to the defendants.

The defendants contended that the plaintiffs' original UK registration of the trade mark was obtained by fraud and that therefore its registration in Singapore was not conclusive against the defendants.

**Held:**

**[1]** Registration of a trade mark entitled the trade mark owner to an interim injunction to restrain the defendants from infringing their trade mark.

**[2]** Words which have a direct reference to the character or quality of goods (descriptive words) are not registrable except upon evidence of distinctiveness. Distinctiveness can be proved by showing that the words have acquired a secondary meaning in connection with the goods of the claimant.

**[3]** The law does not allow any person to claim a proprietary right to the use of common words in a language. Principles of law applied in cases concerning the English language apply equally to any other language in common use in any country. In Singapore, it would apply to the Chinese, Tamil or Malay language.

**[4]** It is extremely difficult to establish that common words have acquired a secondary meaning in relation to the goods of the claimant. There are also degrees of difficulty in proving such a secondary meaning.

**[5]** An invented word is not only newly coined, but must also be such as not to convey any meaning or any obvious meaning to an ordinary person. It must be a word having no meaning or no obvious meaning until one has been assigned to it.

**[6]** The uniqueness of a descriptive word does not qualify it as a trade mark, although uniqueness in the sense of long use may establish a secondary meaning.

**[7]** A claimant who alleges that registration of a trade mark was obtained by fraud must allege some actual deception by word or deed, or some omission by word or deed, *suppressio veri, suggestio falsi*.

**[8]** The defendants have raised a serious issue in their defence. These involve questions of fact which can only be established at the trial of the action.

**[9]** The plaintiffs' claim in passing off must fail. No evidence has been adduced of any consumer having been deceived or confused into thinking that a Chinese wine was the product of the plaintiffs.

**[10]** On the balance of convenience, the plaintiffs will not suffer any loss which could not be compensated by damages if they should succeed. Another factor against granting an interim injunction is the inordinate delay of the plaintiffs in commencing legal proceedings against the defendants. The balance of convenience clearly tilted in favour of the defendants.

*[Plaintiff's application for injunction rejected.]*

**Cases referred to:**
*Re Joseph Crossfield & Sons Ltd. [1910] 1 Ch 130* ***(con)***
*De Cordov v. Vick Chemical Co. [11951] 67 RPC 103* ***(foll)***
*Canadian Shreded Wheat Co. Ltd. v. Kellog Co. of Canada Ltd. [11938] 1 All ER 618* ***(foll)***
*Mc Allister & Co. Ltd. v. Pasuma [1961] MLJ 298* ***(cons)***
*Eastman Photographic Co's Application [1898] AC 571****(cit)***
*Philpart v. William Whiteley Ltd. [1908] 2 Ch 274* ***(cit)***
*Re Ge Trade Mark [1971] RPC 297; [1973] RPC 297* ***(foll)***
*Bently Motor (19310 Ltd. v. Lagonda Ltd. [1947] 64 RPC 33* ***(cons)***
*R. v. Registrar General & Sons Ltd. [1910] 1 Ch 130* ***(cons)***
*Imperial Tobacco Co. Ltd. v. De Pasquali [1918] 35 RPC 185* ***(foll)***

**Legislation referred to:**
Trade Marks Act (Cap 332) [Sing], ss. 10, 15, 44, 45, 47, 48, 52

*For the plaintiffs - Jimmy Yin (Lau Kok Keng with him)*
*For the defendants - Brain Ghows (Anitha Fam with him)*

**JUDGMENT**

**Chan Sek Keong J:**

This is a motion by the plaintiffs for an order to restrain the defendants until trial or further order from selling, offering for sale, importing, distributing, or dealing with in any manner wine or medicated wine products bearing the mark or name of "Yangmingjiu" which have no connection in the course of the plaintiffs' trade, and an ancillary order for delivery up to the plaintiffs for their safe custody any such wine or medicated wine products.

In the statement of claim, the plaintiffs have pleaded that they are the registered proprietors in Singapore of the trade mark (the registered mark) consisting of "Yomeishu" which is registered as (i) TM No. 1400/80 in Part A of the Register from 5 April 1980 in class 5 in respect of wines, spirits (beverages) and liqueurs, all being medicated, and (ii) TM No. 1401/90 in Part A of the Register from 5 April 1980 in respect of wines (with the exception of medicated wines) and spirits (drinks). The registered mark is current and subsisting.

In this action, they claim that the defendants have infringed the registered mark in selling a medicated wine (the Chinese wine) under the name "Chinese Yangmingjiu". Alternately, they also claim in passing off. The 2nd plaintiffs are the sole importer and agent in Singapore of the 1st plaintiffs in respect of their medicated wine. They claim an interim injunction in terms I have set out.

The material facts are as follows. The 1st plaintiffs claim that their predecessors in the title have been selling since 1602, a unique medicated wine (which I shall refer to as "the Japanese wine") known by the Japanese/ Chinese written characters or phonetically as "Yomeishu" if the characters are read in Japanese, or known phonetically as "Yangmingjiu" if the characters are read in Mandarin. I shall refer to this wine as "the Japanese wine". They have produced in evidence a document dated March 1813 which referred to the Japanese wine as " ".

The 1st plaintiffs say that the Japanese wine has been imported into and sold in Singapore since 1970 and advertised since 1973.

In March 1981, the defendants started imported and selling the Chinese wine under the Huang He Lou (Yellow Crane Tower) brand which was manufactured in China by Huangshi Drink Factory of Hubei Province, and exported to Singapore by an organisation known as China National Native Produce and Animal By-Products Import and Export Corporation, Hubei Native Produce Branch. The Chinese wine was imported into Singapore in bottles each label with the English words "Chinese Yangmingjiu" and below them the Chinese characters. In between, in smaller letters were the words/characters for the brand name. The bottles were sold in boxes also containing all these features,with the words/characters in gold against a red background.

The defendants obtained exclusive distrubution rights to the Chinese wine under an agreement dated 22 September 1981. They then began to advertise the Chinese wine in the Chinese newspaper in Singapore, as a result of which the 1st plaintiffs came to know of the competition from the Chinese wine.

On 7 July 1981, M/s. Donaldson & Burkinshaw (D & B), the 1st plaintiffs' solicitors, wrote to the defendants and, after stating that the word "Yomeishu" had been registered as a trade mark in class A since 1970 and that they had pending applications for "Yomeishu" in class B for medicated wines, claimed that they had the exclusive right to the use of the characters which were the "Chinese phonetic equivalent of our ... registered trade mark "Yomeishu" and that "these characters have through long use and extensive advertising come to be associated in the mind of the trade and public exclusively with our clients' herbal tonic or wine and none other." They threatened to institute legal proceedings unless the defendants ceased their buisness in respect of the Chinese wine.

The defendants replied on 22 July 1981 that the Chinese characters meant "life preserving/ prolonging wine" and were therefore ordinary descriptive words which could not have become associated exclusively with the Japanese wine. The defendants refused to comply with the 1st plaintiffs demand, saying that they would reserve the right to the registration of the said characters as a trade mark. The defendants followed this up with their solicitors' letter of 14 October 1981 repeating the same stand.

On 22 May 1982, the 1st plaintiffs' solicitors informed the defendants that their clients were the registered properties of the mark in Part A in respect of the characters in class 5 (Reg No. 1101071) and class 33 (Reg No. 1101072) in the United Kingdom (UK), and that accordingly the mark would be treated as a distinctive mark and would be accepted for

registration under the Trade Marks Act (Cap. 332) After pointing out that their clients had registered the phonetic equivalents of YO and MEI in Japan, Korea, Taiwan, Sarawak, Canada and the United States, they iterated the threat of legal proceedings.

However, after obtaining registration in Singapore, the 1st plaintiffs ceased and desisted from threating the defendants for a period of more than 7 years. It was not until 15 August 1989 that D & B sent another "cease and desist" letter to the defendants in respect of the sale by them of the Chinese wine. The 1st plaintiffs have given a number of reasons for the period of inaction. I shall comment on it later when dealing with the balance of convenience. At this juncture, it may be convenient to consider how the 1st plaintiffs came to register as a trade mark in Part A of the United Kingdom Register.

***Registration in United Kingdom***

On 29 August 1978, the 1st plaintiffs' trade mark agents, Wenping & Co. (Wenping) instructed trade mark agents in Glasgow, M/s. Fitzpatricks, to file applications to register the word Yomeishu in its transliterated form, in class 5 and class 33 under Part A of the Trade Marks Register. The word Yomeishu had already been registered as a UK mark in 1975. The applications were duly filed on 5 September 1978 and on 13 December 1978, the Register requested a transliteration of the characters and the **meaning** thereof. On 18 December 1978 Fitzpatricks passed this request on to Wenping but omitted to ask the **meaning** of the characters. On 11 January 1979 Wenping replied that the Chinese characters were a phonetic equivalent of Yomeishu, but did not say whether they had any meaning. Fitzpatricks relayed the information to the Register on 1 February 1979. On 16 May 1979, the Register notified Fitzpatricks that the applications, if they proceed, should be treated as associated trade mark with the mark Yomeishu already registered under Reg Nos. 1034710 and 1034709, that the applications be amended as indicated (in the reply) and the registrations be endorsed (the endorsement) with the following clause:

> The transliteration of the Japanese characters of which the mark consists is "Yomeishu" which has no meaning.

By a letter dated 18 May 1979, Fitzpatricks notified Wenping of the Register's conditions and said that they would proceed to confirm the acceptability of the amendments. They however appeared to have, again, omitted informing Wenping of the terms of the endorsement. Eventually, on 6 September 1979, Fitzpatricks forwarded to Wenping photocopies of the advertisements of the marks in the official journal of 5 September 1979, which advertisements contained the endorsement required by the Register.

***Registration of " Yomeishu" in Singapore***

On 14 March 1980, Wenping instructed D & B to register the words "Yomeishu" in Singapore in **Part B** of the Register for wines in class 5 and class 33. The following specific instructions were given:

> These new applications are to be filed in Part B of register. Our clients are now preparing evidence of use to establish the distinctivess of the marks, which will be sent to you when the Registrar requires. Points to bear in mind that our clients do want to avoid the deletion of Chinese equivalent like their pending applications case.

The applications were duly filed on 5 April 1980. On 14 November 1981, D & B informed Wenping that the Register had requested the filing of evidence of long and substantial use of the mark in Singapore. Such evidence was never filed, as on 8 January 1982, D & B

informed the Registrar that " " had been registered in Part A of the Register of Trade Marks in the United Kingdom and requested that the application be amended to Part A. On 16 October 1982, D & B informed the 1st plaintiff that the Registrar had accepted the mark for advertisement on the following terms:

> In accepting the mark for advertisement, the Registrar has imposed the following disclaimer:
>
> The transliteration of the Japanese characters appearing in the mark in "Yomeishu" which has no meaning.
>
> In addition, this mark is to be associated with No. 77516 and others.
>
> Kindly confirm that the aforementioned conditions are acceptable to you.

As the registrations were advertised in the Government Gazzette on 29 April 1983 (class 5) and on 5 August 1983 (class 33), the presumption must be that the 1st plaintiffs did accept the Registrar's conditions.

***Action for Infringement***

The plaintiffs' case in infringement is based on the registered mark. As registration gives *prima facie* validity (s. 47 of the Act), they should be entitled to an interim injunction to restrain the defendants from infringing their mark in using and continuing to use the words " " to describe the Chinese wine. They also rely on s. 48 which gives, after 7 years, conclusive validity to the mark "in all respects". The defendants' case, in so far as this motion is concerned, is that, *inter alia* the 1st plaintiffs' orginal UK registration was obtained by fraud, and therefore the registration in Singapore was not conclusive against the defendants by virtue of s. 48. The defendants have raised other defences but fraud is the main defence in this application.

Section 48 provides as follows:

> In all legal proceedings relating to a trade mark registered under this Act in Part A of the register (including applications under s. 39) the orginal registration in Part A of the register of the trade mark shall after the expiration of 7 years from the date of the orginal registration be valid in all respects unless the orginal registration was obtained by fraud or unless the trade mark offends against s. 15:
>
> Provided that nothing in this Act shall entitle the proprietor or a registered user of a registered trade mark to interfere with or restrain the use by any person of a trade mark identical with or nearly resembling it in relation to goods in relation to which that person or a predecessor in title of his has continuously used that trade mark from a date anterior:
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> (a) to the use of the first-mentioned trade mark in those goods by the proprietor or a predecessor in title of his;
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> or
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> (b) to the registration of the first-mentioned trade mark in respect of those goods in the name of the proprietor or a predecessor in title of his,
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> Whichever is the earlier, or to object (on such use being proved) to that person being put on the register for that identical or nearly resembling trade mark in respect of those goods under s. 25.

***Descriptive Words And Distinctiveness***

The issue of fraud arises in connection with the question whether the characters were descriptive words which were not distinctive in relation to the 1st plaintiffs' wine when

registration was obtained in Singapore. Under s. 10 of the Act, a word or words which have a direct reference to the character or quality of the goods (that is, descriptive words) is/are not registrable under Part A except upon evidence of distinctiveness. "There is no absolute incompatibility between what is descriptive and what is distinctive." (per Fletcher Moulton LJ in *Re Joseph Crosfield & Sons Ltd.* [1910] 1 Ch 130 at p. 145., approved by the Privy Council in *De Cordova v. Vick Chemical Co.* [1951] 67 RPC 103 at p. 106). It is thus settled law that distinctiveness in relation to the use of descriptive words may be satisfied by adducing evidence that the words have acquired a secondary meaning in connection with the goods of the claimant. But, as the law does not permit any person to claim a proprietary right to the use of common words in a language, it is extremely difficult to establish that common words have acquired a secondary meaning in relation to the goods of the claimant. There are degrees of difficulty in proving a secondary meaning. In the *Vick Chemical* case (concerning the well known ointment, VapoRub), the Privy Council said:

> But if a word or words are merely descriptive, in the sense that "cellular cloth" or "shredded wheat" were said to be merely descriptive in the well-known cases in which their significance was the subject of judicial decision, then it would follow the use of such words by one trader in his mark could not amount to an infringement of the mark of another trader, even if the words formed part of the mark. For no Court could conclude that they amounted to one of its essential features and thus sanction just that encroachment on the common of the English language which the law has always refused to permit.
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> In this case, it would be an abuse of language to place a fancy word such as "VapoRub" in the same descriptive class as such phrases as "malted milk" or "shredded wheat." This much can be said, that the word has a descriptive element: for it is a compound of two ordinary English words which were chosen for the purpose of suggesting to the reader leading characteristics of the substance sold.

If the words mean "life nourishing wine", as the defendants say they mean to a literate Chinese, then they would fall within the category of expressions like "shredded wheat" and "malted milk" and not "Vapo-Rub". In the "shredded wheat" case, *Canadian Shredded Wheat Co. Ltd. v. Kellogg Co. of Canada Ltd.* [1938] 1 All ER 618, the facts of the case and the decision of Privy Council are succinctly set out in the headnote as follows:

> The appellant company for over thirty years have manufactured and sold a product known as shredded wheat, and, until 1914, when the patent expired, were the sole vendors of the article in Canada. The apparatus for the manufacture of the product was also protected by patent, which expired in 1919, when the appellants' monopoly ceased. The appellant company had registered in 1928 the words "shredded wheat" as their trade mark to be applied to the sale of biscuits and crackers, and in 1929 the same words were registered as their trade mark to be applied to the sale of cereal foods. The respondent company in 1934 commenced to sell in Canada biscuits of shredded wheat made by substantially the same process. The biscuit was of the same shape as, but smaller than that made by the appellant company, and the carton in which the biscuits were contained was quite different from that used by the appellants. The appellants claimed an injunction to restrain the respondents from infringing their registered trade mark "shredded wheat", and, alternatively, an injunction to restrain respondents from, by a use of the same words or any words only colourably differing therefrom, passing off their biscuits as the appellant company's biscuits:
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> HELD: (i) the appellants were in no way using the words "shredded wheat" as indicative of the origin of the goods contained in their carton, but only as descriptive of those goods. The words, which were both the name of, and descriptive of, the invented product, had not acquired the secondary meaning of being distinctive of goods manufactured exclusively by the appellant company, and this was clear from the use made of them by the company in their cartons and

advertisements. The requisite secondary meaning of exclusive distinctiveness had not been established. The registration of the appellant company's trade mark "shredded wheat" was invalid, and the action for infringement failed. *(ii) Once it was established, as here, that the words "shredded wheat" were both the name of a product and descriptive of it, an action for passing off through the use of those words must fail.* (Emphasis is mine)

At p. 631 B-G of the judgment, the Privy Council said:

It must be remembered that "shredded wheat" was not only the name given by the inventor to a new product which could be baked into a biscuit, but was also descriptive of the product as to both its composition and its appearance. It must also be remembered that for a lengthy period the plaintiff company enjoyed a legal monopoly of making and selling in Canada the product shredded wheat baked into biscuits, and that, with the negligible exception of some shredded wheat biscuits called muffets, the plaintiff company continued to be the sole maker of the product, baked or otherwise. In these circumstances, it was inevitable that the words "shredded wheat" and shredded wheat biscuits should become associated in Canada with the goods of the plaintiff company, since many members of the public would get to know that the product shredded wheat was in fact the plaintiff company's product.

This, however, is far from establishing the required meaning of distinctiveness, which must carry with it the feature that the goods distinguished are the goods manufactured by a particular person, and by no other. *A word or words, to be really distinctive of a person's goods, must, generally speaking, be incapable of application to the goods of anyone else.* It is on this point that the evidence breaks down. It is full of ambiguities. One is left in doubt as to whether a witness, in speaking of shredded wheat, refers to the baked biscuit or to the material of which it is composed, and the answers of many are inconsistent with the witness really believing that the words "shredded wheat" necessarily indicate goods manufactured by the plaintiff company exclusively, and by no one else. (Emphasis is mine)

The principles applied in these cases concerning the English language apply with equal force to any other language in common use in any country. In Singapore it would obviously apply to the Chinese, Tamil or Malay language. In *McAlister & Co. Ltd v. Pasuma* [1961] MLJ 298, Counsel for M conceded that the Chinese characters in question were descriptive and the only question was whether they had acquired a secondary meaning. There, M had been importing and selling since 1957 in large quantities in Singapore and Malaya essence of chicken under the Apollo brand. When rendered into Chinese Apollo was read as Yi-Po-ly (in Mandarin) and meant "beneficial for restoring strength". They had also advertised their product as Apollo brand together with the Chinese characters Yi-Po-ly. P started to sell in 1961 essence of chicken under the name of Yipoly but they rendered it into Chinese as I-po-li and only two of the Chinese characters were the same as those used by the plaintiffs. M's Counsel conceded that the Chinese characters "Yi-po-li" used by them were descriptive words. The Court held that M had failed to prove that the Chinese characters "Yi-po-li" had acquired a secondary meaning and dismissed their claim for an injunction to restrain P from using "Yi-pu-li".

I return to " ". In para. 2 of the statement of claim, the plaintiffs say:

The name " " consists of 3 Chinese characters which are also used in the Japanese written language. Although each character has a meaning by itself, the unique combination is an invention of the founder of the said medicated wine, the said Sokan Shiozawa. The combined word has no official meaning and is not found in any known Chinese or Japanese dictionary or encyclopedia. The names "Yomeishu" and "Yangmingjiu" are English phonetic equivalents or transliteration of the word. These English phonetic equivalents also have no meaning in English.

Paragraph 2 acknowledges that " " are Chinese characters which are also part of the Japanese language and that each character has a meaning. This must mean that to a Japanese, each word has a meaning and also to a Chinese literate in Chinese each word also has a meaning. It is common ground that to a Japanese and a Chinese, each character has the same or more or less the same meaning, as its origin is Chinese and the Chinese language has been adopted as part of the Japanese written language. It is not clear what the 1st plaintiffs mean when they say that " " in that combination (the expression) has no **official meaning.**

The 1st plaintiffs also say that the words "Yomeishu" and "Yangmingjiu" are English phonetic equivalents or transliterations of the expression, which they also claim their predecessor in title invented in the 17th century to describe the Japanese wine. They say that the English phonetic equivalents have no meaning in English. But, they do not say in their pleadings that "Yangmingjiu" when written has no meaning to a literate Chinese. However, in his submissions Counsel for the 1st plaintiffs continues to maintain that the endorsement is an honestly held view, that is to say, that " " to have no meaning to a Japanese. However, they appear to have rendered their position unclear by causing, after the commencement of this action, the UK endorsement to be corrected to substitute the word "Chinese" for the word "Japanese" on the representation that it was a clerical error. I am not sure whether this amendment improves the 1st plaintiffs' case in these proceedings. What they now appear to say is that " " are Chinese characters with no meaning as they are a transliteration of "Yomeishu" which itself has no meaning. However, there is no evidence that the Singapore endorsement has been corrected so that in Singapore the impression given is that they are Japanese words.

The defendants rely on the opinion of Mr. Loo Shaw Chang, the Acting Director of the Chinese Language and Research Centre, National University of Singapore. Mr. Loo is of the view that the expression is neither unique nor invented, the first two characters (meaning "life nourishing") having been in use in about 200 B.C. in a book of *Chinese (Herbal) Medicine* by Shen Nong. He also listed 6 other Chinese books dating from 100 A.D. up to 1968 in which " " were used. The last character meant wine. He however admits that he has not been able to trace the origin of the expression. But he is of the view that the expression should mean, to a Chinese, "the kind of wine that is tonic, nourishing and good for health".

In the light of Mr. Loo's opinion, Counsel for the plaintiffs concedes that there is a serious issue on whether " " have the meaning given by Mr. Loo. But, he maintains that the expression is unique and an "invented" expression. In my view, if Counsel is unable to refute the opinion of Mr. Loo, and he has to accept it for the purpose of this motion, the probability of the 1st plaintiffs succeeding in establishing that " " are invented words under s. 10 of the Act is low, if not remote. The expression might have been "invented" by the 1st plaintiffs' predecessor in the unusual sense that they were the first person to use it. But that is not the meaning of invention in s. 10 of the Act. The expression is no more invented than "shredded wheat". In the *Solio* case, *Eastman Photographic Co's Application* [1898] AC 571, at p. 578, Lord Hershell said:

> I do not think the combination of two English words is an invented word, even though the combination may not have been in use before.

In *Philipart v. William Whiteley Ltd.* [1908] 2 Ch 274 at p. 279, Parker J said:

> To be an invented word within the meaning of the Act a word must not only be newly coined, in the sense of not being already current in the English language, but must be such as not to convey any meaning, or, at any rate an obvious meaning to ordinary Englishmen. It must be a word having no meaning or no obvious meaning until one has been assigned to it.

Uniqueness in the sense of being the only person to use the disputed word does not qualify it as a trade mark if it is descriptive, although uniqueness in the sense of long use may establish a secondary meaning.

That being the law, the 1st plaintiffs could not have registered. “ ” as a trade mark or part of a trade mark under s. 10 of the Act unless they could prove that the characters had a secondary meaning of being distinctive of the medicated wine manufactured exclusively by them. The documentary evidence adduced in these proceedings shows that “Yomeishu” was accepted for registration in Part A solely on the fact of the UK registration and subject to the same conditions, one of which was that “ ” were Japanese words which had no meaning. In correcting the error in UK, the 1st plaintiffs have now admitted that “.....” were and are not Japanese characters with no meaning but Chinese characters with no meaning to a Japanese. They have adduced no expert evidence to contradict Mr. Loo’s opinion that the expression has a descriptive meaning to a Chinese.

In these circumstances, the defendants say that there is a serious issue on fraud to be tried within the *American Cyanamid* guidelines. They say that there was a suppression from the Singapore Registrar of material information on how the 1st plaintiffs obtained registration of the expression in UK, that the UK Registrar believed and was allowed to believe that the expression was a phonetic equivalent of Yomeishu (which word the Registrar was aware had no meaning from its prior registration), and had no meaning. Now, of course, they have corrected their own error in admitting that they are Chinese words. Although this is an interlocutory application, I am minded to say that I have no doubt that if the UK Registrar had been told that “ ” were Chinese characters in origin although used by the Japanese as part of their written language and that they conveyed the meaning claimed by the defendants, he would never have accepted the expression for registration as a mark under Part A of the Register. It may also be said that in accepting the endorsement as one of the conditions for registration in Singapore, the 1st plaintiffs have similarly allowed the Registrar to think that “ ” were Japanese characters with no meaning. In contrast, Wenping themselves did not appear to think that the words had no meaning as they instructed D & B to register them in Part B of the Register.

The 1st plaintiffs say there was no fraud in that in obtaining the UK registration in 1978 as they made no representation to the Registrar with respect to the meaning of the expression (not having been asked by Fitzpatricks) other than that it was a transliteration of the word "Yomeishu" which, in Japanese, had no meaning. This is their only substantive defence on the issue of fraud. Their Counsel however relied on the procedural objection that fraud was not pleaded in their particulars of objections filed on 18 July 1990. That is so, but although the word “fraud” was not used, the defendants did rely on s. 15 of the Act, the ambit of which is not settled. If there were fraud in the registration, it is arguably disentitled to protection under the rubric of “otherwise”: see Lord Diplock in *Re Ge Trade Mark* [1971] RPC 297 at p. 324. Also, the affidavits filed on behalf of the defendants have expressly alleged fraud in the registration of the registered mark. Moreover, the plaintiffs in their reply and defence to counterclaim have expressly denied that the registrations in both countries were

obtained by fraud. In any event, the defendants are relying on fraud as a defence to the application for an interim injunction and not as a ground for expunction under the counterclaim, which has yet to be heard. These are early days yet, and no doubt, the defendants will in due course amend their pleadings. There is no merit in the procedural objection.

"Fraud" is one of those protean concepts in English law. In so far as trade mark legislation is concerned, Roxburgh J had this to say in *Bentley Motor [1931] Ltd. v. Lagonda Ltd.* [1947] 64 RPC 33 at p. 35:

> I am most anxious to avoid defining "fraud" in the context in which it appears here, because apparently it has not yet been done, and I am not anxious to be the first to do it if it is not necessary for me to do it; but when I see in conjunction the words "obtained by "fraud", I feel bound to hold that it involves some element of actual deception by the applicant for registration. *I want to make it plain that in using the phrase "actual deception" I do not necessarily exclude all omissions because it is quite possible and I think it is a trite saying, that a statement may be in such a form that having regard to what is omitted it is deceptive, though on the face of it and taken quite alone it is not deceptive.*
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> But in my judgment a claimant who sets out to say that registration was obtained by fraud must allege some actual deception by word or deed, or some omission by word or deed, of the character which I have just indicated; and accordingly I am not prepared to hear evidence directed to the issue that the registration was obtained by fraud. (Emphasis is mine)

*Suppressio veri* and *suggestio falsi* are the two sides of a bad coin. On the evidence, there is undoubtedly a serious issue of fraud to go to trial with respect to the registration of the registered mark, **notwithstanding** that the applicants trade mark was deemed distinctive under the proviso to s. 10 of the Act which provided as follows:

> (1) A trade mark (other than a certification trade mark) registrable in Part A of the register shall contain or consist of at least one of the following essential particulars:
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> (a) the name of a company, individual or firm represented in a special or particular manner;
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> (b) the signature of the applicant for the registration or some predecessor in his business;
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> (c) an invented word or invented words;
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> (d) a word or words having no direct reference to the character or quality of the goods, and not in accordance to its ordinary signification a geographical name or surname;
>
> (e) any other distinctive mark; provided that a name, signature, or word or words, other than such as fall within the descriptions in paras. (a), (b), (c) and (d), shall not be registrable under this paragraph except upon evidence of its distinctiveness.
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> (2) For the purposes of this section, "distinctive" means adapted, in relation to the goods in respect of which a trade mark is registered or proposed to be registered, to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be registered subject to limitations, in relation to use within the extent of the registration.
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> (3) In determining whether a trade mark is adapted to distinguish as aforesaid the Registrar or the Court may have regard to the extent to which:
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> (a) the trade mark is inherently adapted to distinguish as aforesaid; and
>
> (b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact adapted to distinguish as aforesaid:

> Provided that any mark which has been registered as a distinctive mark in Part A of the register kept in the United Kingdom under the Trade Marks Act 1938 shall be deemed to be a distinctive mark for the purpose of this Act.

If it is contended that s. 44 deals with fraud only against the Singapore Registrar and not against the United Kingdom Registrar and that the Singapore registrations were not fraudulent by reason of the deeming effect of the proviso to s. 10, then the further issue arises whether such a statutory provision is applicable to protect or promote in Singapore a fraudulent registration in the United Kingdom. It may be that the provision should be given a purposive interpretation so as not to result in the promotion or protection of fraud: see *R v. Registrar General Ex Parte Smith* TLR 12 November 1990 for an illustration of the principle.

***Section 15***

The defendants have also raised a defence based on s. 15 which provides as follows:

> (1) It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a Court of justice, or would be contrary to law or morality, or any scandalous design.
>
> (2) No trade mark shall be registered in respect of particular goods or classes of goods set forth in the Schedule unless the trade mark has been and is registered in the United Kingdom in respect of such goods or classes of goods and unless the application for registration is made by the registered proprietor in the United Kingdom or any person deriving his right from the registered proprietor by assignment, transmission or other operation of law.

Counsel for the defendants contends that the existing registration of " " as part of the registered mark offends s. 15 on the ground that, being descriptive words, they are disentitled to protection. This is a difficult argument to sustain in view of the decision of the Court of Appeal in *Imperial Tobacco Co. Ltd. v De Pasquali* [1918] 35 RPC 185 that s. 11 of the 1905 Act (corresponding to s. 15) did not apply to a mark which was not entitled to protection because originally not containing one of the essential particulars. In the words of Lord Diplock in *Re Ge Trade Mark* [1973] RPC 297 at p. 333,

> What s. 41 (corresponding to s. 48 of the Act) did was to preclude removal of a trade mark from the register after seven years upon any ground of invalidity, such as lack of distinctiveness, which would have applied to the original registration.

In view of my finding that there is a serious issue to be tried on fraud, I need not consider this point further.

***Section 45 of the Act***

The defendants also rely on s. 45 of the Act which reads:

> (1) Subject to this section, and ss. 48 and 52, the registration of a person in Part A of the register as proprietor of a trade mark (other than a certification trade mark) in respect of any goods shall, if valid, give or be deemed to have given to that person the exclusive right to the use of the trade mark in relation to those goods and, without prejudice to the generality of the foregoing words, that right shall be deemed to be infringed by any person who, not being the proprietor of the trade mark or a registered user thereof using by way of the permitted use, uses a mark identical with it or so nearly resembling it as to be likely to deceive or cause confusion in the course of trade, in relation to any goods in respect of which it is registered, and in such manner as to render the use of the mark likely to be taken either:

(a) as being use as a trade mark; or

(b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular or other advertisement issued to the public, as importing a reference to some person having the right either as proprietor or as registered user to use the trade mark or to goods with which such a person as aforesaid is connected in the course of trade.

The defendants say that the words "Chinese Yangmingjiu" when used as a mark, have been adapted to distinguish it from the registered mark. It is contended that the prefix "CK" made it distinguishable from "YOMEISHU". They also say that " " are used in a descriptive sense, so that it is not likely to deceive or cause confusion in the course of trade in relation to the 1st plaintiffs' wine. These are questions of fact which can only be established at the trial of the action. Accordingly, there is a serious issue on this defence. The registered mark is not simply " " but "Yomeishu", whereas the defendants have been using "Chinese Yangmingjiu" and/or " ". Counsel for the 1st plaintiffs has indicated from the bar that the Japanese wine has invariably been advertised and promoted in the form of the registered mark and that neither "Yomeishu" or " " is ever used in isolation but always together. Even if this were not so, an issue of fact arises whether any Chinese-literate consumer in Singapore of the Chinese wine would mistake it for the Japanese wine. No such evidence has been adduced before me.

***Passing Off***

There is an alternative claim in passing off. On the materials before the Court, the motion as based on this cause of action must fail. This again is a question of fact. No evidence has yet been adduced of any consumer having been deceived or confused into thinking that the Chinese wine was or is the product of the 1st plaintiffs. It is not obvious from a cursory comparison of the respective shapes of the bottles used for the bottling of the Japanese wine and the Chinese wine, the labels thereon and the get up of the boxes in which they are sold to the public that there is sufficiently close similarity in the essential particulars to justify the immediate conclusion of passing off.

***Balance of Convenience***

As to the balance of convenience, I start with the consideration of damages as required by the *American Cyanamid* guidelines. On the evidence, I do not think that the plaintiffs will suffer any loss which cannot be compensated in monetary terms or that the defendants would not be able to pay any such damages that the plaintiffs would be entitled to should they succeed in this action. There is no allegation or any evidence that the Chinese wine is in any way inferior to the 1st plaintiffs wine. Accordingly, the question of damage to the reputation and goodwill of the 1st plaintiffs in the Japanese wine, which might be irreparable, does not arise for consideration.

The sales of the Chinese wine in Singapore for the years 1981- 1989 as claimed by the defendants are as follows:

*Total Yearly Sales For Chinese Yang Min Jiu*

| | | | |
|---|---|---|---|
| 1981 | 201 | CTNS | S$25,376.25 |
| 1982 | 321 | CTNS | S$41,550.00 |
| 1983 | 214 | CTNS | S$28,187.50 |
| 1984 | 179 | CTNS | S$25,775.64 |
| 1985 | 137 | CTNS | S$18,621.04 |

| | | | |
|---|---|---|---|
| 1986 (Jan to June) | 60 | CTNS | S$ 8,155.20 |
| 1987 | - | | - |
| 1988 | 136 | CTNS | S$18,485.12 |
| 1989 | 245 | CTNS | S$33,300.40 |
| Total | 1,493 | CTNS | S$199,451.15 |

In comparison, the sales of the Japanese wine claimed by the plaintiffs are as follows:

*Extracted from Letat Agencies Pte. Ltd's Audited Accounts*

| Year | Total Sales of all Products | Total Sales of Yomeishu | Percentage of Yomeishu's Sales Against All Other Products |
|---|---|---|---|
| 1986 | S$1,129,562.00 | S$1,006,554.00 | 89% |
| 1987 | S$1,401,535.00 | S$1,327,159.00 | 95% |
| 1988 | S$2,254,010.00 | S$2,083,151.00 | 92% |
| 1989 | S$2,528,294.00 | S$2,129,242.00 | 84% |

These figures show that the defendants were and are not seriously in competition with the plaintiffs. As the defendants are a small player compared with the plaintiffs in the sale of medicated wine, the grant of an interim injunction will adversely affect the defendants more than if it is not granted.

There is also a countervailing factor against the granting of an interim injunction in this case, and that is the inordinate delay on the part of the 1st plaintiffs in commencing legal proceedings against the defendants for infringement and passing off. The 1st plaintiffs were aware as early as 1981 that the defendants were selling the Chinese wine in Singapore. In spite of their earlier threats to institute legal proceedings and the registration of the registered mark in Singapore since 1983, they went to sleep for 7 to 9 years. They have given a number of reasons for not doing anything from 1981 to 1983, from 1983 to 1986 and from 1989 to 1990. I do not propose to recount these reasons or to comment on their validity except that, in my view, none of them, even if accepted, actually prevented them from taking action if they had wanted to. They were legally entitled to do so, but the curious fact remains that they did not do so until the registered mark became conclusive under s. 44 of the Act.

The consequence of the 1st plaintiffs, inaction was that the defendants were allowed to import, promote by means of advertising and sell the Chinese wine for this long period of time. They have incurred expenditure in building up whatever reputation and/or goodwill they may have in the Chinese wine. Having hibernated for 7 to 9 years, I am not persuaded that the 1st plaintiffs' business is suddenly threatened by the defendants' business in the Chinese wine. This is clearly a case where equity will not help him who fails to help himself. The balance of convenience is clearly and preponderantly in favour of the defendants. The status *quo ante bellum* must remain.

Notwithstanding the evidence adduced by the plaintiffs and the submission of Counsel for the plaintiffs with respect to the activities of the Malaysian dealers or manufacturers of the Chinese wine, the alleged conduct of the Chinese exporters of the Chinese wine, their alleged reneging of their promises not to export the Chinese wine to South East Asia and not to use " " to describe such wine, I do not propose to comment on the evidence. Neither the Malaysian manufacturers nor the Chinese exporters (and there is even a dispute on their

identities during the period from 1981 to 1990) are parties to this action. Moreover, the present action is not based on the alleged binding agreement with the Chinese exporters, and in any event there is a dispute as to the scope of this agreement, whether the defendants knew of it and if so, whether they are bound by it or if it gives rise to a cause of action against them. The plaintiffs have also alleged that the defendants have not acted *bona fide* in the way they imported their wine and that they had committed offences under the Customs Act in the way they described the Chinese wine in their import declarations. All these matters are disputed, and if they are relevant at all in this action, they can only be resolved at the trial.

For the above reasons, the application for an interim injunction is dismissed. Costs will be reserved until the trial of the action.

Also found at [1991] 3 CLJ 2357

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